

**PARAMOUNT PETROLEUM CORPORATION  
CARRIER FACILITY ACCESS AGREEMENT**

**ARIZONA**

Paramount Petroleum Corporation (hereinafter "PPC") processes various Petroleum Products at its facilities in Arizona which are made available to its customers at its facilities, located at 1935 W. McDowell Road, Phoenix, Arizona 85009, 840 E. Butler Avenue, Flagstaff, Arizona 86001 and 1346 Highway 89A, Fredonia, Arizona 86022 (referred to herein as the "Facilities" or, sometimes as the "Facility"). Capitalized terms used herein shall have the meaning set forth in the Definitions following the signature page of this Agreement.

Washington County Commission (hereinafter "CARRIER") is an independent entity in the business of transporting crude oil and Petroleum Products for its own account or for third parties. CARRIER is not an agent, employee or contractor of PPC. As an independent entity, CARRIER is granted access to the Facility which is expressly subject to the terms and conditions herein and may be revoked by PPC at any time. As used herein, the term "CARRIER's employees and contractors" specifically includes CARRIER's drivers, and other employees, whether direct employees, contract employees, sub-haulers, subcontractors, independent contractors, invitees or licensees of any kind.

IN CONSIDERATION OF PPC granting to CARRIER the privilege of access to the Facility and permission for loading operations and all acts incidental thereto in accordance with Facility rules, regulations and instructions, as set forth in "Instructions to Drivers for Loading and Unloading", receipt of copies of which is hereby acknowledged by CARRIER, the parties agree as detailed below.

The terms and conditions contained herein are subject to change by PPC at any time. CARRIER shall be given notice of such changes as specified in Article 5 below.

**1. TERMS AND CONDITIONS:**

It is understood and agreed that CARRIER does not act under the direction, control or supervision of PPC. The orderly and safe conduct of its business and that of PPC's invitees requires that certain procedures be followed at the Facility as set forth in the above described Instructions to Drivers for Loading and Unloading. These procedures may be changed by PPC in its sole discretion from time to time, and notice thereof will be given to CARRIER as specified in Article 5 below. As a condition for access to the Facility, CARRIER agrees to comply with these procedures and to make available copies of these procedures as they may be amended from time to time to all of CARRIER's employees who enter or have access to Facility premises and/or who operate CARRIER trucks on Facility premises.

CARRIER agrees that all Vehicles, Cargo Tanks and other equipment used by CARRIER's employees and contractors on Facility premises will be in a properly maintained and safe condition. In the event of a safety hazard arising from, or potentially to, CARRIER equipment, CARRIER and its employees will immediately, upon demand of PPC, remove such CARRIER equipment and CARRIER personnel from the Facility premises.

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In addition, CARRIER agrees at all times to comply with all federal, state and local laws, ordinances, rules and regulations applicable to the privileges granted hereunder and agrees to obtain all permits, licenses and other authorizations required by any governmental authority under such laws, ordinances, rules and regulations. By way of example, but not of limitation, the conveyance, Vehicle and Cargo Tank used by CARRIER for each carriage or movement of products will be a proper and safe container for the specific product to be handled and that such container will fully comply with all federal, state and local laws, statutes, ordinances, rules and regulations, including all applicable Department of Transportation labeling, placarding, marking and tank specifications and regulations and shall be authorized by the Department of Transportation to transport the Petroleum Products loaded onto such conveyance, Vehicle or Cargo Tank. The inspection records and certificates for each such conveyance, Vehicle or Cargo Tank shall be made available to PPC on request.

In the event of any legal notice, citation or judgment against CARRIER relating to its Vehicles and/or carriage of Petroleum Products, CARRIER will immediately notify PPC in writing as specified in Article 5 below, and will provide objective factual details thereof with copies of any such citation, judgment or legal notice. It is the intent of the parties to protect PPC to the fullest extent of the law.

Any breach by the CARRIER of any of the terms and conditions of this Agreement, whether or not directly related to any loss, shall render the CARRIER liable for the consequences of CARRIER's breach based on the negligence or fault of CARRIER, .

CARRIER agrees that all CARRIER employees, and all agents, representatives or independent contractors working with CARRIER, who are sent onto the Facility premises, will be fully trained and competent and will be informed and familiar with the procedures, and especially safety procedures, for loading and unloading as they may be amended from time to time by PPC. CARRIER also agrees that it is the sole responsibility of CARRIER to provide CARRIER's employees and contractors with a safe workplace and the appropriate and required personal protective clothing and safety equipment while on the Facility premises.

CARRIER shall fully cooperate with PPC in the investigation of any accident, spill, or other incident at a Facility, involving CARRIER's Vehicles and/or employees in any way. With respect to any accident, spill or other incident in which one of CARRIER's Vehicles is involved, such vehicle shall not be moved except in case of emergency or at the direction of a PPC employee.

**2. ACCESS INSTRUMENT:**

PPC may provide CARRIER access to the Facility by means of a key, card or other access instrument ("Access Instrument"). The Access Instrument remains the property of PPC and shall be returned to PPC upon demand. CARRIER shall notify PPC by telephone and in writing as

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provided in Article 5 below immediately upon the discovery of the loss, theft or destruction of any Access Instrument.

Persons entering the Facility premises and facilities by means of the Access Instrument issued to CARRIER shall be deemed an agent of CARRIER and shall be bound by the terms and conditions herein. CARRIER shall be liable for any Petroleum Product handled or removed from the Facility by any person entering the Facility by means of the CARRIER's Access Instrument whether or not CARRIER has authorized such action.

CARRIER hereby represents and warrants that all drivers used or employed by CARRIER and operating pursuant to this Agreement shall hold a current license, in good standing, appropriate for the conveyance and carriage undertaken by said driver and Vehicle.

**3. INDEMNIFICATION, RELEASE OF LIABILITY AND WAIVER OF SUBROGATION:**

To the fullest extent permitted by law, each party shall reimburse, defend, indemnify and hold the other party harmless PPC from and against all claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from each party's performance, non-performance or breach of the terms and conditions of this Agreement.

a) CARRIER agrees to use reasonable care to prevent damage to the Facility and all personal property on the Facility premises, including, but not limited to, all appurtenances, equipment, gears, boilers, tools, wiring, utilities, and other objects on the Facility premises, as well as the real property. Each party will indemnify, hold harmless, and defend the other party, its affiliates, and each of their respective officers, directors, agents, employees, representatives, successors, and assigns (collectively, "Affiliates") from and against any and all claims, demands, damages, fines, penalties, losses, causes of action, liabilities, and judgments (collectively, "Claim(s)") of every kind (including all expenses of litigation, court costs, and reasonable attorneys' fees), for damage to any property or injury to or death of any person (including, but not limited to, employees of each party) resulting from, arising out of, or in any way connected with the acts or omissions to act of each party's employees and contractors, including to the extent any such Claim is based in part upon the joint or concurrent negligence or strict liability of PPC and its Affiliates or of a Third Party

b) CARRIER shall be solely responsible for the cleanup of any seepage, spill or loss of any Petroleum Products or substance, of any kind, from any of CARRIER's vehicles, trucks, equipment, or by act of CARRIER or its employee's as defined herein, or others operating with the permission or at the request of CARRIER and said responsibility shall extend to the satisfaction of any fines, penalties, restrictions, compliance costs, remediation, compensation, or other charges or fees, costs, or damages imposed by law or by any regulatory or governmental agency, and includes any other damages arising out of said seepage, spill or loss. It is the intention of the parties that CARRIER's responsibility shall include the indemnity of PPC as described in Section "a" above.

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c) This indemnification from CARRIER in favor of PPC shall be affected by any limitation of the amount or type of damages, compensation or benefits payable by or for the other party under Governmental Immunity Acts, Worker's Compensation Acts, Disability Benefit Acts or other Employee Benefit Acts in Arizona and/or in Utah.

d) Each party must also indemnify, hold harmless and defend the other party and its Affiliates from and against any and all Claim(s) resulting from, arising out of, or in any way connected with, any breach of this Agreement by each party and/or each party's employees and contractors or the failure of each party and/or each party's employees and contractors to comply with any laws, including, but not limited to, fines, penalties, and monetary sanctions imposed by any governmental entity, or political subdivision or agency thereof, associated with any such failure.

e) Each party shall defend, indemnify and hold the other party harmless from any claim for personal injury to the other party's employees.

**4. INSURANCE:**

At all times while performing work hereunder, CARRIER, its employees, agents or representatives, or independent contractors, have access to the Refinery or any other location, shall carry and maintain with insurers and on terms satisfactory to PPC, the minimum insurance coverage as set out in *Paramount Petroleum Corporation Minimum Insurance Requirements for Carriers* attached hereto and by this reference made a part hereof.

CARRIER agrees to provide PPC with certificates of insurance evidencing the coverage and terms required by this Agreement within 7 days of the execution of this Agreement and thereafter within 3 days upon request by PPC, or within not less than 15 days prior to the expiration of any coverage and renewal thereof.

CARRIER'S failure or omission to provide such certificate, or any incorrect or incomplete listing of coverage terms and conditions on any such certificate, whether or not disputed by PPC, shall in no way be interpreted to relieve CARRIER of any of its obligations herein. In the event that CARRIER fails to provide PPC with copies of the appropriate certificates, PPC shall notify CARRIER of the breach of this Agreement, and may then proceed to cure this breach through any and all available remedies subject to the sole discretion of PPC.

**5. MISCELLANEOUS:**

CARRIER must observe all posted rules and regulations. This Agreement and any addenda issued hereunder shall be effective between the parties only when accepted in writing and executed by a duly authorized agent of PPC and a duly authorized agent of CARRIER. This Agreement constitutes the entire Agreement of the parties with respect to this contract and shall

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be binding upon such successors and assigns of the parties hereto as are permitted herein. No amendment to this Agreement is permitted except in writing signed by both parties.

The privileges herein granted to CARRIER are temporary in nature and may be terminated by either PPC or CARRIER in its sole and absolute discretion at anytime by serving written notice of termination of this Agreement upon the other party. Such termination to be effective upon the receipt of such notice during normal business hours. Should CARRIER terminate this Agreement, CARRIER shall return all Access Instruments furnished to it hereunder with its notice of termination, and should PPC terminate this Agreement, CARRIER shall promptly after receipt of the notice of termination return all Access Instruments furnished to it hereunder. CARRIER shall be responsible to PPC for all liability hereunder accrued prior to the termination becoming effective.

This Agreement shall not be assignable by CARRIER without the prior written consent of PPC.

This Agreement and any addenda shall be construed in accordance with, and the validity and performance hereof shall be governed by, the laws of the State of Arizona.

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Any notice, request, order or demand required or permitted to be given under this Agreement to either party other than a request for service, shall be in writing and conveyed to the party to be notified as follows by certified mail and telefacsimile transmitted on the date of mailing of said notice:

If to PPC

Steve Farkas, Vice President and General Counsel  
PARAMOUNT PETROLEUM CORPORATION  
14700 Downey Avenue  
Paramount, California 90723  
Tel: (562) 531-2060 (Ext. 2605)  
Fax: (562) 408-0621

If to CARRIER

*(person to receive official communications)*

Name, Title: Wendell Gubler, Roads Superintendent

Company Name: Washington County Commission

Address: 197 East Tabernacle St

St George, UT 84770

Telephone Number: 435-634-5736

Telefacsimile Number: 435-634-5744

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CARRIER's authorized representative acknowledges that he has read this Agreement and any addenda hereto for and on behalf of the CARRIER and CARRIER agrees to these terms and conditions. By signing this Agreement in the space below, CARRIER acknowledges that it has read this Agreement and agrees to these terms and conditions of access to the Facility and the indemnities set forth above.

**PARAMOUNT PETROLEUM CORPORATION**

By (*authorized signature*): \_\_\_\_\_

Name (*printed*): Laurie Patterson

Title: Director, Safety, Security & Training

Date: \_\_\_\_\_

**CARRIER**

By (*authorized signature*): \_\_\_\_\_

Name (*printed*): James J. Eardley

Title: Washington County Commission Chair

Date: \_\_\_\_\_

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**DEFINITIONS:**

Access Instrument:

Any key, code card, lock combination, password, written authorization, or other code, document or tangible item provided by PPC to the CARRIER to assist, facilitate and/or allow CARRIER to enter the Facility premises.

Cargo Tank:

Any vessel or any object with holding capacity used to lift, transport, convey, or haul any Petroleum Product or other product to or from the Facility premises.

CARRIER:

The signatory to this Agreement, which is an independent entity that transports Petroleum Products for hire or for its own account. This definition of CARRIER includes CARRIER's agents, employees, directors, shareholders, successors, assigns, affiliated and related entities including but not limited to parent and subsidiary companies and their respective employees, officers, agents, directors and all others acting on behalf of CARRIER and/or its affiliates. This definition specifically includes CARRIER's drivers, whether direct employees, contract employees, sub-haulers or subcontractors of any kind.

CARRIER's employees and contractors:

As defined in paragraph two of the introductory paragraphs.

Claim(s):

As defined in Section 3(a).

Petroleum Product:

Crude oil, refined oil, diesel fuel, jet fuel, gasoline, asphalt or any other hydrocarbon based commodity which is refined by, provided by, blended or stored by the Facility and transported by CARRIER.

PPC:

PPC, its employees, officers, agents, directors and all others acting on behalf of PPC and/or their affiliates.



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Affiliates:

As defined in Section 3(a).

Facility:

The facilities located at 1935 W. McDowell Road, Phoenix, Arizona 85009, 840 E. Butler Avenue, Flagstaff, Arizona, 86001 and 1346 Highway 89A, Fredonia, Arizona 86022 owned and operated by PPC, which process hydrocarbon based commodities into various Petroleum Products. The term "Facility" and "Facilities" shall include PPC as defined above.

Vehicle:

Any truck, automobile, crane or conveyance of any kind used by CARRIER to transport, convey, transfer or in any way carry or handle Petroleum Products.